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MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC
SERVICE COMMISSION HELD IN ITS OFFICES ON JUNE 15, 2017

Commission Chairman Sally A. Talberg called the meeting to order at 1:30 p.m.
Executive Secretary Kavita Kale called the roll and declared there was a quorum.

PRESENT

Commission: Sally A. Talberg, Chairman
Norman J. Saari, Commissioner
Rachael A. Eubanks, Commissioner

Staff: Kavita Kale
Sally Wallace
Nick Assendelft
Al Freeman
Derrell Slaughter
Jake Thelen
Lumi Makinde
Bharathi Bhattu
Gloria Pearl Jones

Public: Craig Toepfer
Mark Ames, Ann Arbor Solar
Candace Gonzales, Consumers Energy
Don Stanczak, DTE
Suzy Westmoreland, MEGA
Kwafo Adarkwa, ITC
Yvette Collins, AT&T

- I.** Commissioner Saari moved to approve today's amended agenda, Commissioner Eubanks seconded.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The amended agenda was approved.

- II.** Commissioner Saari moved to approve the minutes of the Regular Commission Meeting of May 31, 2017, Commissioner Eubanks seconded.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The minutes were approved.

III. ORDERS

A. COMMUNICATIONS

1. U-18365 MCC TELEPHONY OF THE MIDWEST, LLC
(temporary license)

Case No. U-18365 involves a request filed by MCC Telephony of the Midwest, LLC, for a temporary license to provide basic local exchange service. The order before you grants the temporary license. Commissioner Saari moved that the Commission approve the order at its June 15, 2017 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

2. U-18398 AT&T MICHIGAN AND AIRUS, INC.
(interconnection agreement and amendment)

Case No. U-18398 requests Commission approval of an interconnection agreement. The order before you approves the request. Commissioner Saari moved that the Commission approve the order at its June 15, 2017 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

3. MINUTE ACTION ELIGIBLE TELECOMMUNICATIONS CARRIERS
(U-18216)

Adopt and issue minute dated June 15, 2017, finding that all wireless eligible telecommunications carriers certified in Michigan must file information specific to the areas actually served in Michigan. This information should be in the format of a shape file or geodatabase or detailed specifically to indicate availability and location of customers currently served. This information must be filed in conjunction with the annual re-certification filings (Form 481) and must be filed electronically with the Commission by July 15, 2017, in Case No. U-18216.

Commissioner Saari moved that the Commission approve the minute at its June 15, 2017 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The minute was adopted.

4. MINUTE ACTION PENINSULA FIBER NETWORK, LLC
(9-1-1 wireless, U-14000)

Adopt and issue minute dated June 15, 2017, finding that the attached Peninsula Fiber Network, LLC invoice No. 50003366 for the periods of March 1, 2017, to May 31, 2017, is for wireless emergency service costs recoverable under 2007 PA 165, MCL 484.1408(4)(b). The Commission approves the attached invoice in the amount of \$152,003.67 for reimbursement by the Michigan Department of Treasury. Commissioner Saari moved that the Commission approve the minute at its June 15, 2017 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The minute was adopted.

B. ELECTRIC

1. U-15801 COMMISSION'S OWN MOTION
U-18372 ALGER DELTA COOPERATIVE ASSOCIATION
U-16086 ALPENA POWER COMPANY
U-18373 BAYFIELD ELECTRIC COOPERATIVE
U-18374 CHERRYLAND ELECTRIC COOPERATIVE
U-18375 CLOVERLAND ELECTRIC COOPERATIVE
U-16087 CONSUMERS ENERGY COMPANY
U-16088 DTE ELECTRIC COMPANY
U-18376 GREAT LAKES ENERGY COOPERATIVE
U-16090 INDIANA MICHIGAN POWER COMPANY
U-18377 HOMEWORKS TRI-COUNTY ELECTRIC COOPERATIVE
U-18378 MIDWEST ENERGY COOPERATIVE
U-16091 NORTHERN STATES POWER COMPANY-WISCONSIN
U-18379 THUMB ELECTRIC COOPERATIVE
U-16092 UPPER PENINSULA POWER COMPANY
U-16093 UPPER MICHIGAN ENERGY RESOURCES CORPORATION
U-16094 WISCONSIN ELECTRIC POWER COMPANY
U-18388 PRESQUE ISLE ELECTRIC & GAS CO-OP
U-18389 ONTONAGON COUNTY RURAL ELECTRIFICATION
ASSOCIATION

(implementation of MCL 460.10a(1)(c))

Case No. U-15801 et al. is a matter, on the Commission's own motion, to implement the provisions of Section 10a(1) of 2016 PA 341 regarding allocation of the amount of load to be served by an alternative electric supplier. The order before you provides direction as to the implementation of the final sentence of MCL 460.10a(1)(c), which requires the Commission to reduce the cap for any electric utility serving fewer than 200,000 customers in Michigan if the utility has not had any load served by an alternative electric supplier in the preceding four years. Commissioner Saari moved that the Commission approve the order at its June 15, 2017 meeting. Commissioner Eubanks seconded that motion.

Chairman Talberg's Remark:

The Chairman acknowledged that with the issuance of the above order, the Commission completed the second item in the implementation of the new energy laws and gave kudos to the efforts of the Commission staff.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

2. U-15825 AEP ENERGY, INC.
(renewable energy plan)

Case No. U-15825 involves an application by AEP Energy, Inc., requesting approval of a renewable energy plan. The order before you finds the plan in compliance with 2008 PA 295. Commissioner Saari moved that the Commission approve the order at its June 15, 2017 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

3. U-17910-R ALPENA POWER COMPANY
('16 PSCR reconciliation)

Case No. U-17910-R involves an application by Alpena Power Company for authority to reconcile its power supply cost recovery revenues and costs for the 12-month period ended December 31, 2016. The order before you approves a settlement agreement resolving all issues in the case. Commissioner Saari moved that the Commission approve the order at its June 15, 2017 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks

Nays – None

The order was adopted.

4. U-18197 COMMISSION'S OWN MOTION
U-18239 CONSUMERS ENERGY COMPANY
U-18248 DTE ELECTRIC COMPANY
U-18253 UPPER MICHIGAN ENERGY RESOURCES CORPORATION
U-18254 UPPER PENINSULA POWER COMPANY
U-18258 CLOVERLAND ELECTRIC COOPERATIVE
(technical conference threshold questions)

Case Nos. U-18197 et al., involve technical conferences set up by the Commission to address the task of establishing the format for the capacity demonstration process to be applied during implementation of the state reliability mechanism provisions of Section 6w of 2016 PA 341, MCL 460.6w. The order before you provides clarifications regarding the threshold questions set out in the May 11, 2017 order in Case Nos. U-18197 et al. Commissioner Saari moved that the Commission approve the order at its June 15, 2017 meeting. Commissioner Eubanks seconded that motion.

Chairman Talberg Commented:

"In 2016, the State of Michigan enacted a new statutory framework for resource adequacy as part of Act 341 to ensure that all energy providers—including alternative electric supplies, municipal utilities, electric cooperatives, and MPSC-regulated electric utilities—contribute to the state's long-term electric capacity needs. Under this framework, the Commission must determine the capacity obligations for individual electric providers and create a process to evaluate whether such obligations are met.

This proceeding in case U-18197 provides a forum for stakeholder input on the capacity obligations. As part of this process, the Commission is addressing three threshold issues in its order today to provide guidance for stakeholders. One of these issues is whether there should be a "locational requirement", or local clearing requirement, for resources used to satisfy capacity obligations, and if so, whether energy providers should be required to demonstrate a share of the overall locational requirement.

The Commission is ruling that a local clearing requirement is required and can be applied to individual energy providers under PA 341. The premise behind this provision of the law is to safeguard Michigan's long-term resource adequacy and ensure that all providers contribute to reliability in the state.

The Commission is not convinced, however, that allocating this local clearing requirement among energy providers on a proportional basis four years into the future is necessary, equitable, or reasonable. Accordingly, in our order today we identify guiding principles that should inform the proper allocation approach.

We also identify several alternatives for MISO, Staff, and stakeholders to consider such as phasing in requirements or allocating a share of the incremental long-term capacity needed to maintain reliability among energy providers. This is not an exhaustive list of options but we want to stress that we need Staff, MISO and stakeholders to engage in constructive dialogue to identify and thoroughly vet

options that represent an equitable and technically sound approach. This is complicated and has significant stakes for the reliability and affordability of our electricity in this state.

Finally, I want to reiterate the Commission's interest in seeking technical assistance from MISO throughout this process. MISO's active participation to date has been valuable and we look forward to their continued engagement.

We remain committed to finalizing the capacity obligations on the schedule previously established so energy providers and customers have a clear understanding of the details and can make decisions accordingly."

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

5. U-18255 DTE ELECTRIC COMPANY
(petition for rehearing or clarification)

Case No. U-18255 involves an application filed by DTE Electric Company for authority to increase its rates for the sale and distribution of electric energy. The order before you grants the petition for rehearing and clarification filed by DTE Electric Company on May 26, 2017, and clarifies the Commission's May 11, 2017 order in Case No. U-18197 et al. to indicate that the Commission did not intend to require the parties and Administrative Law Judge Mark D. Eyster to expend their time and resources re-litigating issues in Case No. U-18255 on which there is no debate, fundamental dispute, or change of circumstances from the positions taken in Case No. U-18248, but not to foreclose any party's opportunity to update the Case No. U-18248 inputs and data in Case No. U-18255 and/or to re-litigate any state reliability mechanism capacity charge issue previously determined in Case No. U-18248 that could have an impact on the company's rates, terms, or conditions of service. Commissioner Saari moved that the Commission approve the order at its June 15, 2017 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

6. U-18345 CONSUMERS ENERGY COMPANY
(amended renewable energy plan)

Case No. U-18345 involves an application by Consumers Energy Company requesting an amendment to its renewable energy plan. The order before you approves the amendment as in compliance with 2008 PA 295. Commissioner Saari moved that the Commission approve the order at its June 15, 2017 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

7. U-18399 CONSUMERS ENERGY COMPANY
(billing practices)

Case No. U-18399 involves an application by Consumers Energy Company for a waiver of certain requirements of the Commission's Billing Practices Applicable to Non-Residential Electric and Gas Customers and for the authority to continue the company's customer selected due date program. The order before you approves the application. Commissioner Saari moved that the Commission approve the order at its June 15, 2017 meeting. Commissioner Eubanks seconded that motion.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The order was adopted.

IV. PUBLIC COMMENTS

There were no public comments.

An audio recording of the proceedings of the June 15, 2017 meeting is archived in podcast format at: http://www.michigan.gov/documents/mpsc/mpsc-cm-6-15-2017_575985_7.mp3.

Chairman Talberg announced that the next regularly scheduled Commission Meeting will be held on July 12, 2017 at 1:30 p.m.

Commissioner Saari moved that the Commission adjourn, Commissioner Eubanks seconded.

Vote: Yeas – Talberg, Saari, Eubanks
Nays – None

The motion was approved.

The meeting adjourned at 1:42 p.m.

Kavita Kale
Executive Secretary